

News from the Jersey Business & Industry Association

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NJBIA Welcomes Corzine's Economic Relief Package Statement by NJBIA President Philip Kirschner

NJBIA is encouraged by the economic relief package outlined by the Governor in his speech to the joint session of the State Legislature today.

The Governor's proposal to give tax incentives to small to medium-size businesses that create new jobs is an important tool to stimulate job creation.

Also welcome are the Governor's proposals endorsed by NJBIA that would reform the state's business tax code. These proposals would encourage business expansion and job creation and make New Jersey more competitive with other states. They are:

Extension of the NOL Deduction Period to 20 Years: New Jersey currently allows companies to deduct net operating losses (NOLs) over a period of only seven years. The Governor proposed extending the NOL deduction period to 20 years, a standard already embraced by the federal government and 24 other states with corporate business taxes.

Elimination of the "Regular Place of Business" Rule: The Governor proposed eliminating the "regular place of business" rule, which requires corporations to establish a staffed office outside of New Jersey as a precondition for allocating income to other states for NJ tax purposes.

Elimination of the "Throw-Out" Rule: New Jersey is one of only two states that require multi-state corporations to pay state business taxes on company revenues that are unrelated to their New Jersey operations or sales. The Governor proposed that this "throw-out" rule, which was adopted in 2002, be repealed.

NJBIA looks forward to working with the Governor and the Legislature on this economic relief package.

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